

## Message Text

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PAGE 01 KUWAIT 02636 220948Z

20

ACTION NEA-10

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 ISO-00 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-03 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 FRB-03 /122 W

----- 000580

R 220720Z JUN 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3227

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KINSHASA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USINT BAGHDAD

USMISSION OECD PARIS

USMISSION EC BRUSSELS

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PAGE 02 KUWAIT 02636 220948Z

C O N F I D E N T I A L KUWAIT 2636

E.O. 11652: GDS

TAGS: ENRG, KU

SUBJECT: KUWAIT VIEWS ON OPEC AND RELATED ISSUES

1. EMBOFF HAD UNSCHEDULED HALF-HOUR MEETING WITH SHAIKH ALI KHALIFA AL-SABAH WHO RECENTLY APPOINTED NEW UNDERSECRETARY OF FINANCE AND WHO DEEPLY INVOLVED IN OPEC AFFAIRS FOR GOK. HE HAD RECENTLY RETURNED FROM LIBREVILLE OPEC MEETING. HE SAID ABSENCE OF AMOUZEGAR AND YAMANI WAS WITHOUT SPECIAL SIGNIFICANCE AND TOO MUCH WAS BEING MADE OF IT BY OUTSIDERS. HE ADMITTED THAT KUWAITIS STILL SOMEWHAT RESERVED ABOUT DECISION TO LINK OPEC PRICES TO SDRS, BUT HE ADDED DECISION HAS BEEN TAKEN AND WILL BE IMPLEMENTED OCTOBER 1. HE SAID OTHER OPEC MEMBERS FELT SDR LINK WAS LIKELY TO BE MORE STABLE IN LONGRUN THAN, SAY, LINKING PRICES TO OPEC'S OWN GENEVA FORMULA. HE ALSO PREDICTED PRICE INCREASE OF \$1-2 PER BARREL IN OCTOBER, DEPENDING ON INFLATION AND OTHER FACTORS. ALI KHALIFA SAID HE SCHEDULED ATTEND THREE SEPARATE OPEC MEETINGS IN VIENNA DURING SEPTEMBER. MEETINGS PRESUMABLY WILL BE ON PRICE AND SDR PROBLEMS.

2. HE ASKED FOR OUR REACTION TO LIKELY PRICE RISE, AND EMBOFF SAID HE THOUGH OPEC ACTION WOULD BE SELF-DEFEATING SINCE OIL PRICE RISE WOULD SIMPLY EXACERBATE INFLATION OPEC STATES CLAIMED THEY WISHED OVERCOME. IN REPLY ALI KHALIFA SAID AS LONG AS NO SIGNIFICANT RESULTS EVIDENT FROM ACTION BEING TAKEN BY US AND OTHERS TO DAMPEN INFLATION OPEC STATES FELT OBLIGATION INCREASE PRICE TO MAKE UP FOR INCOME LOST THROUGH INFLATION.

3. ALI KHALIFA ALSO MENTIONED SECOND PREPCON, AND HE SAID HE WOULD BE ATTENDING SESSIONS FOR KUWAIT. HE SAID AT FIRST PREPCON KUWAITIS WERE BRIEFED BY SAUDIS AND IRANIANS, BUT GOK WANTS TO BE PRESENT AT MEETINGS DURING RESUMED PREPCON.  
MAU

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, MEETINGS, EXPORTERS, PRICES  
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**Copy:** SINGLE  
**Draft Date:** 22 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition Reason:**  
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**Executive Order:** GS  
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**TAGS:** ENRG, KU, OPEC, (SABAH, ALI KHALIFA AL)  
**To:** STATE  
**Type:** TE  
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